



SCHOOL EQUITY CAUCUS

Making a difference for the public school children of Michigan

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Dear Colleague:

Long Awaited School Funding Adequacy Study is Released

In 1987, superintendents throughout the state, dissatisfied with the inequity of school funding, formed the In-Formula Caucus (now known as the School Equity Caucus) to change the way public schools were funded. At the time, school operational revenues came via the Bursley Formula, a method that relied heavily on local tax value and thereby, local voted millage. From district to district, millage rates and school revenues varied greatly.

Opinions about what constituted adequate and equitable school funding varied just as greatly. Among one of the first things the new In-Formula Caucus asked of the legislature and governor was for a school funding adequacy study. We were completely ignored. No one could have predicted then, or in the intervening years, that it would finally come 30 years later from a Republican dominated state government and as a result of a misguided road funding initiative.

The just released Michigan Education Finance study (Augenblick, Palaich and Associates, 2016) vindicates the educators and many others who have consistently maintained that school funding is - and has been for decades – inadequate, inequitable, and depending on the school they attend, restricts equivalent student educational opportunities.

Some of the procedures, findings, observations, and recommendations from the study include:

- Recognized “notably successful districts” as having proficiency levels and at least one other performance standard above the state average, and then used those districts as a baseline determinant for appropriate revenues and expenditures.
- Notably successful districts spend a total of \$8,667 per pupil.
 - \$4,983 – instruction
 - \$884 – administration
 - \$316- food service
 - \$875- support services
 - \$355- transportation
 - \$862- maintenance and operations
 - \$206- community services
 - \$15- adult education
 - \$172-others
- There exists a direct positive correlation between school spending and student achievement.

- To reach the recommended \$8,667 funding level, Base Foundation districts would have to be increased by \$638 pp and Minimum Foundation districts by \$1,156.
- There is a lack of comprehensive data to determine the appropriate cost per pupil for special education and a need for better tracking of special education expenditures from all sources.
- Funding should be weighted and considerably increased for at-risk and ELL students.
- Significantly more variation in per pupil revenues and expenditures across districts than is desirable for an equitable school finance system.
- While school funding is “moderately inequitable,” district inequity is actually increasing in several measures.
- The study did not consider costs associated with career and technical education or the effect of charter schools.
- The study did not account for the vast differences and the inequitable effect of community taxable value for the repair, renovation, and construction of school facilities and infrastructure.

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So now what? The School Equity Caucus, other school organizations, and all those who have been saying school funding is inadequate, unbalanced, and does not provide students an equal opportunity to learn will use the study to support our efforts. Others, who have the opposite position, will dismiss the findings as biased, one-sided, and politically motivated. They will nitpick the findings and challenge the conclusions.

It is way too early to sensibly predict how the study will be used or how much traction it may get in the next round of budget discussions. It may be years, if ever, that the adequacy study will form the basis for school funding adjustments. Further, we should be vigilant for an attempt to leverage the recommendations into a proposal for vouchers, tax credits, or other school funding changes that could further draw students and dollars away from traditional public schools.

For now, I suggest that you become at least conversationally familiar with the findings and recommendations and “localize” how appropriate funding adjustments would benefit your students and their learning opportunities.

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I hope you have a good Independence Day weekend and your summer is safe, restful, and recuperative.

Jerry

Gerald Peregord
Executive Director

Note: *The legislature is gone for the summer and most state government offices are running with a skeleton crew. Pending legislation remains as was described in the last Newsletter.*